(i) To take banking services to the door steps of rural masses particularly in hitherto unbanked far flung rural areas.

(ii) to make available institutional credit to the weaker sections of the society;

(iii) To mobilise rural savings and channelise them for supporting productive activities in rural areas;

(iv) to create a supplementary channel for flow of credit from the central money market to the rural areas;

(v) to generate employment opportunities in rural areas; and

(vi) to bring down the cost of purveying credit in rural areas.

Sustained viability of their operations is necessary if the RRBs are to meet these objectives. In the context of the need for ensuring viability of RRBs and ensuring the flow of adequate and sustainable credit to the rural sector, Government/Reserve Bank of India (RBI) have taken a number of steps to improve viability of the operations of RRBs which, inter-alia, include deregulation of interest rates, application of prudential accounting norms in a phased manner, preparation of bank specific development action plans, widening the range of services and to finance non-target groups to the extent of 60% of their fresh lendings with their service area.

Further, RBI have recently stipulated that, beginning from 1st April, 1997, the advances of RRBs to priority sector borrowers should constitute 40% of their out-standing advances, as in the case of commercial banks. Within the over-all target of 40%, the advances granted to weaker sections of the society should constitute 25% of the priority sector advances (10% of total outstanding advances). RBI have reported that this will further make the lending operations of RRBs vibrant in addition to ensuring uniformity in approach on lending alongwith commercial banks. These policy changes seek to provide a level playing field to RRBs to enable them to perform their functions in a viable and sustainable manner.

Ways and Means Advances

*558 SHRI ANNASAHIB M.K. PATIL:

DR. C. SILVERA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are considering drastic restructuring/changes in the present system of ways and means advances (WMA) drawn by the State Governments;

(b) if so, the details of the proposals under consideration suggested by RBI in this regard;

(c) the details of decisions taken/proposed by the Government in the matter; and

(d) the details of other steps proposed to put a cap on Government's debt ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) and (c) Do not arise.

(d) State Govts. are allowed to borrow within the limits given in the Annual Plans through the instruments of market borrowings and negotiated loans. They also have to seek Govt. of India's approval under Article 293 for incurring any debt. Govt. of India endeavours to contain the level of debt by lowering the fiscal deficit through efforts to raise non debt receipts and control of expenditure.

Hydroelectric Power Projects

*559. SHRI SAT MAHAJAN : Will the PRIME MINISTER be pleased to state:

(a) the number and names of hydro-electric power projects in the country, State-wise;

(b) whether there are some hindrances in the execution of some of the power projects;

(c) if so, the details thereof, project-wise;

(d) the steps being taken to remove the hindrances; and

(e) the present position of the execution of Nathpa-Jhakri and Chamera-II Power Projects in Himachal Pradesh ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (DR. S. VENUGOPALACHARI) : (a) to (c) There are, at present, 74 hydro-electric power projects (above 3 MW) under execution in the country. Project-wise details and the reasons for delay in the execution of the projects are given in the enclosed statement.

Amongst the factors which have adversely affected the execution of hydel projects are fund constraints, environmental are rehabilitation aspects, law and order problems, geological problems, etc.

(d) Following steps have been taken to remove the hindrances in execution of some of the hydro projects:

The Net Budgetary Support (NBS) for hydel projects being executed by the Central Sector Corporations has been substantially increased from Rs. 533 crores in 1996-97 to Rs. 866 crores in 1997-98. In addition, Rs. 617 crores have been assured and will be provided in the Budget of 1997-98 for Central sector hydel projects namely, Tehri, Dulhasti, Uri, Rangit and Kopili. The Government also announced in January 1995 a package of incentives for hydro projects to be commissioned on or after 1.1.1997 to encourage greater private sector participation in hydel projects.

The Ministry of Power had constituted a Committee under the Chairmanship of Shri M.K. Sambamurti on 26th